

Media Release

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HOUSING INVESTMENT LOANS BACK ON TRACK

Real Estate Institute of Australia (REIA) President, Leanne Pilkington has welcomed the latest ABS Lending Statistics which show investors are slowly returning to Australia's housing market.

Ms Pilkington said the ABS figures show that in November 2023, in seasonally adjusted terms, the value of new loan commitments for total housing rose 1.0% to \$27.6 billion, after a rise of 7.1% in October. It was 13.1% higher compared to a year ago.

Owner-occupier housing rose 0.5% to \$17.9 billion and was 10.6% higher compared to a year ago while investor housing rose 1.9% to \$9.7 billion and was 18.0% higher compared to a year ago.

Ms Pilkington said the figures are indicative of strong housing growth over the past year adding, "it's a relief to see the return of investments in this sector.

"The value of new loan commitments to investors has started to increase, in particular ACT saw phenomenal growth in November with the value rising by 18.4% while loans in Tasmania fell 11.8%."

Ms Pilkington said that owner occupier loans recorded moderate growth in November with some states such as Tasmania and NSW showing signs of stabilising.

ABS shows Queensland rose 3.3%, Victoria rose 2.0%, South Australia rose 6.9%, in the Australian Capital Territory rose 9.4% and in the Northern Territory rose 6.0% while New South Wales fell 1.1%, in Western Australia fell 2.9% and Tasmania fell 15.2%.

The results follow the latest ABS data showing that the Consumer Price Index rose 4.3% in the 12 months to November 2023, down from 4.9% per cent in October.

Ms Pilkington added that the 13 interest rate rises had finally curtailed inflation with all signs showing the economy is now heading in the right direction.

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